

THIS OBJECTION SEEKS TO REDUCE AND ALLOW CERTAIN FILED PROOFS OF CLAIM. PARTIES RECEIVING THIS NOTICE OF THE FOUR HUNDRED SIXTIETH OMNIBUS OBJECTION TO CLAIMS SHOULD REVIEW THE OMNIBUS OBJECTION TO SEE IF THEIR NAME(S) AND/OR CLAIM(S) ARE LOCATED IN THE OMNIBUS OBJECTION AND/OR THE EXHIBIT ATTACHED THERETO TO DETERMINE WHETHER THIS OBJECTION AFFECTS THEIR CLAIM(S).

**IF YOU HAVE QUESTIONS, PLEASE CONTACT
LEHMAN BROTHERS HOLDINGS INC.'S COUNSEL,
ADAM M. LAVINE, AT 212-310-8290.**

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Robert J. Lemons

Attorneys for Lehman Brothers Holdings Inc.
and Certain of Its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : **Chapter 11 Case No.**
:
LEHMAN BROTHERS HOLDINGS INC., et al., : **08-13555 (SCC)**
:
Debtors. : **(Jointly Administered)**
-----X

**NOTICE OF HEARING ON THE FOUR HUNDRED SIXTIETH
OMNIBUS OBJECTION TO CLAIMS (VALUED DERIVATIVE CLAIMS)**

PLEASE TAKE NOTICE that on April 2, 2014, Lehman Brothers Holdings Inc.
("LBHI" and the "Plan Administrator"), as Plan Administrator under the Modified Third
Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors for

the entities in the above-referenced chapter 11 cases, filed the four hundred sixtieth omnibus objection to claims (the “Four Hundred Sixtieth Omnibus Objection to Claims”), and that a hearing (the “Hearing”) to consider the Four Hundred Sixtieth Omnibus Objection to Claims will be held before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in Courtroom 621 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004, on **May 14, 2014 at 10:00 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses to the Four Hundred Sixtieth Omnibus Objection to Claims must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court (a) electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court’s filing system, and (b) by all other parties in interest, on a CD-ROM or 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182 (which can be found at www.nysb.uscourts.gov), and shall be served in accordance with General Order M-399 upon (i) the chambers of the Honorable Shelley C. Chapman, One Bowling Green, New York, New York 10004, Courtroom 621; (ii) attorneys for LBHI, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Robert J. Lemons, Esq. and Adam M. Lavine, Esq.); and (iii) the Office of the United States Trustee for Region 2, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: William K. Harrington, Esq., Susan Golden, Esq., and Andrea B. Schwartz, Esq.); so as to be so filed and received by no later than **May 2, 2014 at 4:00 p.m. (Eastern Time)** (the “Response Deadline”).

PLEASE TAKE FURTHER NOTICE that if no responses are timely filed and served with respect to the Four Hundred Sixtieth Omnibus Objection to Claims or any claim set forth thereon, the Plan Administrator may, on or after the Response Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Four Hundred Sixtieth Omnibus Objection to Claims, which order may be entered with no further notice or opportunity to be heard offered to any party.

Dated: April 2, 2014
New York, New York

/s/ Robert J. Lemons

Robert J. Lemons

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11 Case No.
:
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : 08-13555 (JMP)
:
Debtors. : (Jointly Administered)
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**FOUR HUNDRED SIXTIETH OMNIBUS
OBJECTION TO CLAIMS (VALUED DERIVATIVE CLAIMS)**

**THIS OBJECTION SEEKS TO REDUCE AND ALLOW CERTAIN
FILED PROOFS OF CLAIM. PARTIES RECEIVING THIS FOUR
HUNDRED SIXTIETH OMNIBUS OBJECTION TO CLAIMS
SHOULD REVIEW THE OMNIBUS OBJECTION TO SEE IF THEIR
NAME(S) AND/OR CLAIM(S) ARE LOCATED IN THE OMNIBUS
OBJECTION AND/OR THE EXHIBIT ATTACHED THERETO TO
DETERMINE WHETHER THIS OBJECTION AFFECTS THEIR
CLAIM(S).**

**IF YOU HAVE QUESTIONS, PLEASE CONTACT
LEHMAN BROTHERS HOLDINGS INC.'S COUNSEL,
ADAM M. LAVINE, AT 212-310-8290.**

TO THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. (“LBHI” and the “Plan Administrator”),
as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of
Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the “Plan”) for the entities in
the above referenced chapter 11 cases (collectively, the “Chapter 11 Estates”),
respectfully represents:

Relief Requested

1. The Plan Administrator files this four hundred sixtieth omnibus
objection to claims (the “Four Hundred Sixtieth Omnibus Objection to Claims”) pursuant
to section 502(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rule
3007(d) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and this
Court’s order approving procedures for the filing of omnibus objections to proofs of
claim filed in these chapter 11 cases (the “Procedures Order”) [ECF No. 6664], seeking
entry of an order reducing and allowing the claims listed on Exhibit A annexed hereto.

2. The Plan Administrator has examined the proofs of claim
identified on Exhibit A and has determined that the proofs of claim listed on Exhibit A
(collectively, the “Valued Derivative Claims”) should be reduced and allowed on the
basis that the amounts listed on the proofs of claim are greater than the fair, accurate, and
reasonable values determined by the Plan Administrator after a review of the claimants’
supporting documentation and the Chapter 11 Estates’ books and records. The Plan
Administrator, therefore, requests that the Court reduce, as appropriate, each such claim

to the amount listed on Exhibit A in the row “Claim as Modified” and allow each such claim only to the extent of such modified amount.

3. The Plan Administrator reserves all its rights to object on any other basis to any Valued Derivative Claim as to which the Court does not grant the relief requested herein.

Jurisdiction

4. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

Background

5. Commencing on September 15, 2008 and periodically thereafter, LBHI and certain of its subsidiaries commenced with this Court voluntary cases under chapter 11 of title 11 of the Bankruptcy Code. These chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b).

6. On July 2, 2009, this Court entered an order setting forth procedures for filing proofs of claim in these chapter 11 cases, including procedures for filing proofs of claim and supporting documentation for claims based on derivative contracts (the “Bar Date Order”) [ECF No. 4271]. The Bar Date Order provided that “each holder of a claim against a Debtor based on amounts owed pursuant to any Derivative Contract must: . . . complete the electronic Derivative Questionnaire [and] electronically upload supporting documentation on the website” (Bar Date Ord. at 7.) The Bar Date Order further provided that “each holder of a claim against a Debtor based on a Guarantee by a Debtor of the obligations of a non-Debtor entity under a

Derivative Contract must [also]: . . . complete the electronic Guarantee Questionnaire and electronically upload supporting documentation on the website” (*Id.* at 8.) A copy of the Bar Date Order was made publicly available at <http://www.lehman-docket.com>.

7. Exhibit C to the Bar Date Order was a version of the Derivative Questionnaire, which required that the claimant provide various information in support of its claim, such as copies of relevant agreements; a copy of the termination notice; a valuation statement; individual trade-level detail; trade value methodology and quotations; and unpaid amounts, collateral, and other costs associated with the claim pursuant to the derivative contract. Also attached to the Bar Date Order was Exhibit D, a version of the Guarantee Questionnaire, which required the claimant to, among other things, set forth the information forming the basis of the claimant’s assertion of a guarantee.

8. On January 14, 2010, the Court entered the Procedures Order, which authorizes the filing of omnibus objections to no more than 500 claims at a time, on various grounds, including those set forth in Bankruptcy Rule 3007(d) and those additional grounds set forth in the Procedures Order.

9. On December 6, 2011, the Court entered an order confirming the Plan. The Plan became effective on March 6, 2012.

10. Pursuant to the Plan, the Plan Administrator is authorized to impose and prosecute objections to claims filed against LBHI and the Chapter 11 Estates.

The Valued Derivative Claims Should Be Reduced and Allowed

11. In reviewing the claims filed on the claims register in these cases and maintained by the Court-appointed claims agent, the Plan Administrator has

identified the claims on Exhibit A as claims that should be reduced and allowed on the basis that the amounts listed on the proofs of claim are greater than the fair, accurate, and reasonable values determined by the Plan Administrator after a review of the claimants' supporting documentation and the Chapter 11 Estates' books and records.

12. A filed proof of claim is "deemed allowed, unless a party in interest . . . objects." 11 U.S.C. § 502(a). If an objection refuting at least one of the claim's essential allegations is asserted, the claimant has the burden to demonstrate the validity of the claim. *See In re Oneida Ltd.*, 400 B.R. 384, 389 (Bankr. S.D.N.Y. 2009); *In re Adelphia Commc'ns Corp.*, Ch. 11 Case No. 02-41729 (REG), 2007 Bankr. LEXIS 660 at *15 (Bankr. S.D.N.Y. Feb. 20, 2007); *In re Rockefeller Ctr. Props.*, 272 B.R. 524, 539 (Bankr. S.D.N.Y. 2000).

13. Each of the Valued Derivative Claims listed on Exhibit A should be reduced and allowed as a prepetition non-priority unsecured claim in the amount listed on Exhibit A in the row "Claim as Modified" because the asserted claim amount is greater than the fair, accurate, and reasonable value of the claim as determined by the Plan Administrator after a review of the supporting documentation provided by the claimants and the Chapter 11 Estates' books and records.

14. The Plan Administrator has developed and currently utilizes a thorough, multi-step process to review claims filed against the Chapter 11 Estates based on a Derivative Contract¹ ("Derivative Claims") in order to determine the fair, accurate, and reasonable value of such claims for purposes of settlement (the "Proposed Settlement").

¹ "Derivative Contract" is defined in the Bar Date Order as meaning "any contract that is of (i) a 'swap agreement' as such term is defined in section 101(53B) of the Bankruptcy Code or (ii) a 'forward contract' as such term is defined in section 101(25) of the Bankruptcy Code" (*See* Bar Date Ord. at 6.)

Amount”). In order to determine the Proposed Settlement Amount, the Plan Administrator: (i) collects and reviews documents related to the relevant Derivative Claim including, but not limited to, the relevant Derivative Questionnaire and/or Guarantee Questionnaire, the termination notice, and the valuation statement; (ii) reconciles posted collateral and any cash payments already received, made, or missed; and (iii) reviews the valuation methodology used by the claimant to determine the value of the claim, including verifying the legitimacy of quotes provided by the claimant in connection with their valuation statement, reviewing claimant’s “loss” calculation, and evaluating any set-off claims.² In its efforts to determine the Proposed Settlement Amount, the Plan Administrator engages in, to the extent the holder is willing to so engage, negotiations with the holder of the Derivative Claim that are often very detailed and may extend over a period of months.

15. The Plan Administrator has undertaken this lengthy process with respect to each of the Valued Derivative Claims listed on Exhibit A, and has concluded that a fair, accurate, and reasonable valuation of the Valued Derivative Claim is less than that reflected on the proof of claim submitted by the claimant. Holders of the Valued Derivative Claims should not be allowed to recover more than the true and proper value of their claims. Accordingly, in order to properly reflect the fair, accurate, and reasonable value of these claims, the Plan Administrator requests that the Court reduce

² For a more comprehensive discussion of the valuation process, please see the Declaration of Gary H. Mandelblatt in Support of Debtors’ Motion Pursuant to Section 502(b)(9) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(3) for Establishment of the Deadline for Filing Proofs of Claim, Approval of the Form and Manner of Notice Thereof and Approval of the Proof of Claim Form (attached as “Exhibit C” to Debtors’ Omnibus Reply to Objections to Motion of the Debtors, Pursuant to Section 502(b)(9) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(3), for Establishment of the Deadline for Filing Proofs of Claim, Approval of the Form and Manner of Notice Thereof and Approval of the Proof of Claim Form [ECF No. 4113]).

each Valued Derivative Claim to the amount listed on Exhibit A in the row “Claim as Modified” and allow each such claim only to the extent of such modified amount.

Notice

16. No trustee has been appointed in these chapter 11 cases. The Plan Administrator has served notice of this Four Hundred Sixtieth Omnibus Objection to Claims on: (i) the United States Trustee for Region 2; (ii) the Securities and Exchange Commission; (iii) the Internal Revenue Service; (iv) the United States Attorney for the Southern District of New York; (v) the claimants listed on Exhibit A attached to this Four Hundred Sixtieth Omnibus Objection to Claims; and (vi) all other parties entitled to notice in accordance with the procedures set forth in the second amended order entered on June 17, 2010 governing case management and administrative procedures for these cases [ECF No. 9635]. The Plan Administrator submits that no other or further notice need be provided.

17. No previous request for the relief sought herein has been made by the Plan Administrator or the Chapter 11 Estates to this or any other Court.

WHEREFORE the Plan Administrator respectfully requests entry of an
order granting the relief requested herein and such other and further relief as is just.

Dated: April 2, 2014
New York, New York

/s/ Robert J. Lemons

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EXHIBIT A

OMNIBUS OBJECTION 460: EXHIBIT A - VALUED DERIVATIVE CLAIMS

NAME	CLAIM #	FILED DATE	DEBTOR NAME	AMOUNTS						
				ADMINIS- TRATIVE	SECURED	PRIORITY	UNSECURED	EQUITY	TOTAL	
1	U.S. BANK NATIONAL ASSOCIATION	67157	10/27/10	Lehman Brothers Special Financing Inc.						
				TOTAL ASSERTED AMOUNT				\$1,442,137.17		\$1,442,137.17
				CLAIM AS MODIFIED				\$1,095,413.45		\$1,095,413.45
2	US BANK NATIONAL ASSOCIATION	67154	10/27/10	Lehman Brothers Holdings Inc.						
				TOTAL ASSERTED AMOUNT				\$2,936,045.00		\$2,936,045.00 *
				CLAIM AS MODIFIED				\$861,136.58		\$861,136.58
3	US BANK NATIONAL ASSOCIATION	67155	10/27/10	Lehman Brothers Special Financing Inc.						
				TOTAL ASSERTED AMOUNT				\$2,936,045.00		\$2,936,045.00 *
				CLAIM AS MODIFIED				\$861,136.58		\$861,136.58
				TOTAL ASSERTED	\$0.00	\$0.00	\$0.00	\$7,314,227.17	\$0.00	\$7,314,227.17
				TOTAL NOT SUBJECT TO OBJECTION	0.00	0.00	0.00	0.00	0.00	0.00
				TOTAL SUBJECT TO OBJECTION	0.00	0.00	0.00	7,314,227.17	0.00	7,314,227.17
				TOTAL CLAIM AS MODIFIED	\$0.00	\$0.00	\$0.00	\$2,817,686.61	\$0.00	\$2,817,686.61

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re : **Chapter 11 Case No.**
: **LEHMAN BROTHERS HOLDINGS INC., et al.,** : **08-13555 (SCC)**
: **Debtors.** : **(Jointly Administered)**
-----X

**ORDER GRANTING FOUR HUNDRED SIXTIETH OMNIBUS
OBJECTION TO CLAIMS (VALUED DERIVATIVE CLAIMS)**

Upon the four hundred sixtieth omnibus objection to claims, dated April 2, 2014 (the “Four Hundred Sixtieth Omnibus Objection to Claims”),¹ of Lehman Brothers Holdings Inc., as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors, pursuant to section 502(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 3007(d) of the Federal Rules of Bankruptcy Procedure, and this Court’s order approving procedures for the filing of omnibus objections to proofs of claim [ECF No. 6664], seeking to disallow and expunge the Valued Derivative Claims, all as more fully described in the Four Hundred Sixtieth Omnibus Objection to Claims; and due and proper notice of the Four Hundred Sixtieth Omnibus Objection to Claims having been provided, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Four Hundred Sixtieth Omnibus Objection to Claims is in the best interests of the Chapter 11 Estates, their creditors, and all parties in interest, and that the legal and factual bases set forth in the Four Hundred

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Four Hundred Sixtieth Omnibus Objection to Claims.

Sixtieth Omnibus Objection to Claims establish just cause for the relief granted herein;
and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the relief requested in the Four Hundred Sixtieth Omnibus
Objection to Claims is granted to the extent provided herein; and it is further

ORDERED that (i) each Valued Derivative Claim listed on Exhibit 1
annexed hereto is hereby modified and allowed as a prepetition non-priority unsecured
claim in the amount set forth on Exhibit 1 in the row "Claim as Modified" and (ii) with
respect to each Valued Derivative Claim, any asserted amount in excess of the modified
amount is disallowed; and it is further

ORDERED that this Order has no res judicata, estoppel, or other effect on
the validity, allowance, or disallowance of, and all rights to object and defend on any
basis are expressly reserved with respect to, any claim listed on Exhibit A annexed to the
Four Hundred Sixtieth Omnibus Objection to Claims that is not listed on Exhibit 1
annexed hereto; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine
all matters arising from or related to this Order.

Dated: _____, 2014
New York, New York

UNITED STATES BANKRUPTCY JUDGE